



**TESTIMONY OF
Jeffrey Flaks, President & CEO
HARTFORD HOSPITAL**

**BEFORE THE
APPROPRIATIONS COMMITTEE**

Friday, February 22, 2013

HB 6350, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE

Good evening. My name is Dr. Stuart Markowitz, Vice President, Chief Medical Officer of Hartford Hospital. On behalf of Jeffrey Flaks, the President & CEO of Hartford Hospital, I am here to testify in opposition to **HB 6350, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE.**

Hartford Hospital fully appreciates that in today's still-struggling economy, the State of Connecticut faces a difficult financial situation. With a budget deficit of more than \$1 billion, Gov. Dannel Malloy must make some very hard choices, and we recognize that health care is a significant state expense.

Unfortunately, the governor's budget proposal includes massive cuts to hospitals that would result in Hartford Hospital's losing a total of more than \$66 million in Medicaid payments over the next three years. This presents a tremendous financial burden, especially in light of the fact that we could face as much as \$18 million per year in additional federal budget cuts. As of January 2013, the state already had reduced our hospital's funding by more than \$8 million. By the end of 2015, funding for care we provide to the under- and uninsured will be totally eliminated.

Hartford Hospital is the second-largest Medicaid provider in the state. We are a major safety net for Connecticut's citizens and willingly extend our helping hands to anyone who walks through our doors, many of whom are Medicaid and Medicare patients. Neither Medicare nor Medicaid covers the cost of care, which means we lose money on every one of these patients we treat. Over the past year, we had more than 105,000 patient visits to our Emergency Department; more than 50 percent were Medicaid patients.

The proposed state cuts will have a severe impact on our ability to care for and provide services to the neediest among us. This includes services we offer beyond our hospital doors. In FY 2011 alone, we provided \$99 million in community benefit activities, including charity care. These services focus on improving community health and wellness and ultimately reducing health care costs in the long term.

The proposed funding reductions also will have an impact on our ability to continue to increase health care access in local communities and to contribute to the economic vitality of the communities we serve. With nearly 7,400 employees, Hartford Hospital is the largest employer in Hartford and one of the largest in the state. Our satellite offices in Avon, West Hartford, South Windsor, Newington and Enfield bring high-quality primary and specialty care to local communities. Our hospital spends millions of dollars annually on salaries, medical supplies, food, equipment,

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and facility expansions and improvements. These dollars have a ripple effect on the larger economy, generating jobs and spending. Last year, our hospital had a direct economic impact on our community of more than \$2 billion.

With an eye to the future and always dedicated to providing the best possible care to our patients, Hartford Hospital hasn't sat idly by as the economy has struggled. We understand that health care costs are a concern for everyone and having access to affordable, high-quality care is a top priority. For the past four years in particular, our staff members have worked together through a nationally recognized, continuous-improvement initiative to improve processes and reduce costs. They have saved millions of dollars while improving patient satisfaction to the highest level in our history. Hartford Hospital has been named by HealthGrades as among the top 5 percent hospitals in the nation, a credit not only to our hospital but to our state.

The proposed state budget reductions come at a time when Hartford Hospital, as a Hartford HealthCare member, is investing in improving care coordination, implementing electronic health records, and ultimately, working toward providing consistently better care at a lower cost. Lower-cost health care ultimately will ease the state's budget burdens, yet it takes time, focus and dedication. The long-term effects of drastic budget reductions during this period of transition could be severe.

Hartford Hospital was founded by the community, for the community nearly 160 years ago. We always have stood ready to serve and to reach out to those who need us most.

I would ask members of the Appropriations Committee to rethink the cuts to the state Medicaid Program and for local officials to engage with Hartford Hospital and our peer institutions across the state to explore ways to redesign the state's Medicaid system to reduce the long-term burden of health care to taxpayers and help create a system that provides excellent, lower-cost care to all of our citizens.

Thank you.